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SUBJECT: KAZAKHSTAN: ALMATY NOTES, OCTOBER 13-24

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11. The "Almaty Notes" series from U.S. Office Almaty focuses on developments in civil society, the media, and the opposition in Kazakhstan's "southern capital."

"PUBLIC PARLIAMENT" SUPPORTS ELECTION AMENDMENTS

12. During an October 13 meeting, the "Khalyk Kenesy" ("People's Parliament") expressed its support for a package of proposed amendments to Kazakhstan's election law drafted by the National Social Democratic Party (OSDP) and Azat, two of Kazakhstan's largest opposition parties. The "Khalyk Kenesy" is an association of political parties, NGOs, and independent labor unions established in June at the initiative of OSDP leader Zharmakhan Tuyakbay as an "alternative" to Kazakhstan's one-party parliament. (NOTE: Azat, the Communist Party, and the ruling Nur Otan party are not participating in the "Khalyk Kenesy." END NOTE.) Under the draft election law proposed by OSDP and Azat, electoral commissions at all levels would include representatives of all political parties, political parties would be permitted to run together in electoral coalitions, electronic voting would be eliminated, and equal conditions would be mandated for all candidates and parties during election campaigns, including equal access to the broadcast mass media. The "Khalyk Kenesy" threatened that its member organizations would boycott future elections if the government and parliament ignore the joint OSDP-Azat proposal.

AZAT'S PROPOSALS FOR THE FINANCIAL CRISIS

13. On October 21, Azat party leaders held a press conference to publicize the party's strategy for dealing with the global financial crisis. Azat head Bulat Abilov claimed the \$5 billion that the government has allocated from the National (Oil) Fund to capitalize the Samruk-Kazyna National Welfare Fund will be used to buy up shares of companies at inflated prices, to the benefit of President Nazarbayev's son-in-law Timur Kulibayev (who is Deputy Chairman of Samruk-Kazyna's Management Board) and other wealthy insiders. Abilov maintained that this money will be transferred overseas

rather than flow back into the economy, doing nothing to alleviate the financial crisis. He went on to lay out Azat's economic strategy: use the funds to support pensioners, students, invalids, and low-paid government employees; renegotiate existing oil and gas contracts on terms more advantageous to Kazakhstan; and buy up shares of Kazakhstani companies in the extractive sector, such as Kazakhmys, Ispat-Karmet, KazZinc and Eurasian Natural Resources Company. Abilov demanded that Prime Minister Masimov resign because "the government has failed to cope with its duties; the economy is collapsing."

HOUSING PROTESTS

14. On October 17, several dozen Almaty residents picketed the offices of KUAT -- one of Kazakhstan's largest construction companies -- demanding a meeting with KUAT President Oleg Nam. The protestors said that Nam should resign his seat in the Almaty maslikhat (city council) and focus on his duties at KUAT. They told the press that the company did not complete the construction of two apartment buildings and failed to hook up utilities to several others. The group was received by a KUAT representative who assured them that the company would return their money invested into unfinished construction projects by the end of November.

15. On October 22, more than 100 Almaty residents who invested money in apartments that have not been completed gathered at the entrance of the Almaty city administration building demanding a meeting with Mayor Akhmetzhan Yesimov. The protesters were holding placards with slogans such as "we will not permit 10 billion tenge allocated by the government to be embezzled" and "give us our apartments." They demanded the transparent use of 10 billion tenge (approximately \$83 million) allocated to support the completion of construction projects in Almaty, including the publication of construction timetables and public control over the distribution of the funds. Deputy Mayor Serik Seydumanov received the protesters and promised

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to review their demands.

16. On October 23, several dozen Almaty residents who failed to meet their mortgage payments picketed Bank Turan Alem. The group was protesting the fact that the bank started to auction off the properties of borrowers who failed to make their mortgage payments. They maintained that auctions in the absence of court rulings on foreclosure violate the constitution. The protestors also wanted the bank to stop charging fees for late mortgage payments. A bank official received representatives of the protest group and promised to examine every case individually. According to the bank, approximately 2,000 of its mortgage borrowers are currently in arrears. Civil society activist Aynur Kurmanov, head of the Talmas movement, asserted that mortgage borrowers face similar problems at every bank in Kazakhstan.

HOAGLAND